Oregon
Kate Brown, Governor

Water Resources Department
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MEMORANDUM

TO: Water Resources Commission

FROM: Thomas M. Byler, Director

SUBJECT: Agenda Item H, June 14, 2019
Water Resources Commission Meeting

Feasibility Study Grants (Water Conservation, Reuse and Storage Grant Program) – Funding Recommendations

I. Introduction

Feasibility Study Grants (Water Conservation, Reuse and Storage Grant Program) supports studies to evaluate the feasibility of water conservation, reuse, and storage projects. This report describes the Application Review Team's evaluations, public comments received, responses to those comments, and Department recommendations for funding. The Commission will be asked to award funding.

II. Background

The Feasibility Study Grants funding opportunity was established by Senate Bill 1069 in 2008 to fund the qualifying costs of studies that evaluate the feasibility of developing water conservation, reuse, or storage projects. Grants require a dollar-for-dollar match. A feasibility study evaluates a proposed project to determine *if* and *how* the project should proceed to implementation. These studies typically take one to three years to complete.

The Department offered three grant cycles in the 2015-2017 biennium, and funded 29 studies for a total of approximately $2.1 million. Due to limited staff resources, there was no grant cycle for 2017-2018. As a result, $2,530,193 is available to award to Feasibility Study Grants during this funding cycle.

Applications for the 2018-2019 cycle were due on October 17, 2018. The Department received eight complete applications requesting a total of $810,773 in grant funds. Individual grant requests ranged from $17,180 to $364,000. Per statute, awards are capped at $500,000 per grant. The Department has requested that any funds not awarded be carried forward for future grant cycles in the 2019-2021 biennium budget.

III. Grant Application Review Process

Applications are reviewed by an inter-agency Application Review Team (ART), which was convened in January to evaluate the applications and provide funding recommendations to the Department. The ART included representatives from the Oregon Department of Environmental Quality, Oregon Department of Fish and Wildlife, Business Oregon, as well as technical experts from the Department. Oregon Department of Agriculture was also invited to participate on the ART but declined due to capacity limitations. See Attachment 1 for evaluations of each application.

The ART's recommendations were posted on the agency website for a 30-day public comment period that closed on April 15, 2019. The Department received three public comments on three grant applications (Attachment 2). Two comments received were in support of two studies recommended for funding, specifically the "Talent Irrigation District Water Conservation Study" and the "White Ditch Sucker Creek Water Conservation Study." The Department also received comments from the City of Umatilla responding to the ART's evaluation and requesting that the Commission reconsider the grant application and award funding to the study.

Affected Tribes were notified of the funding recommendation and also given the opportunity to provide comments for Commission consideration. The Confederated Tribes of the Umatilla Indian Reservation (CTUIR) submitted a letter expressing concern about the proposed study "Enhancing the Reliability of the Alluvial Groundwater Supply in the Walla Walla Basin." The letter, provided in Attachment 3, outlined a number of study modifications that CTUIR felt were needed in order for them to support investment in the proposed managed aquifer recharge study.

IV. 2018-2019 Grant Award Recommendations

Based on the ART recommendations, public comments, and Department review, the Department recommends seven of the eight applications for grant funding as shown in Table 1 on the next page.

The Department does not recommend funding the "City of Umatilla Hydraulically Connected Wells" study at this time, as it does not sufficiently address all tasks needed to show technical preparedness and readiness to achieve the identified study goals. This applicant, and any applicants not awarded grant funds in previous funding cycles, may choose to revise and strengthen their proposed studies based on the feedback from the ART and Department and resubmit their application during a future funding cycle.

Approval of the funding recommendations in Table 1 will result in grant awards totaling $446,773. This would leave $2,083,420 available for future funding cycles.

For grant awards approved by the Commission, Department staff will work with the grant recipients to develop grant agreements.

Table 1. Summary of funding recommendations

Study Name / Applicant Name	*Project Type*	*Funding Request*	*Funding Recommendation*
Enhancing the Reliability of the Alluvial Groundwater Supply in the Walla Walla Basin / Walla Walla Basin Watershed Council	Below-ground Storage	$77,715	$77,715
Lundy Ditch Irrigation Efficiency Feasibility Study / Deschutes Soil and Water Conservation District and Arnold Irrigation District	Conservation	$43,857	$43,857
Talent Irrigation District Water Conservation Study / Farmers Conservation Alliance	Conservation	$49,000	$49,000
Tower Ditch Sleeving Feasibility Study / Deschutes Soil and Water Conservation District and Swalley Irrigation District	Conservation	$17,180	$17,180
Upper John Day Irrigation Water Conservation Feasibility Study / The Freshwater Trust	Conservation	$151,758	$151,758
Water & Energy Conservation with Variable Speed Drives on the Rogue River / Grants Pass Irrigation District	Conservation	$43,264	$43,264
White Ditch Sucker Creek Water Conservation Study / Illinois Valley Soil and Water Conservation District	Conservation	$64,000	$64,000
City of Umatilla Hydraulically Connected Wells / City of Umatilla	Conservation	$364,000	Not recommended at this time
	TOTAL	**$810,773**	**$446,773**

V. Alternatives

The Commission may consider the following alternatives:

1. Adopt the staff funding recommendations contained in Table 1, Section IV of this report
2. Adopt modified funding recommendations.
3. Direct the Department to further evaluate the applications and return with a revised funding proposal.

VI. Recommendation

The Director recommends Alternative 1, to adopt the staff funding recommendations contained in Table 1, Section IV of this report.

Attachments:

1. Feasibility Study Grant Evaluation Summaries
2. Public Comments on Funding Recommendations
3. Outreach to Affected Tribes and Comments Received

Kim Ogren, Water Resources Development Program Manager, 503-986-0873Becky Williams, Grant Program Coordinator, 503-986-0869

OREGON
WATER RESOURCES DEPARTMENT

Feasibility Grant Applications

Evaluation Summaries –2019

Background

Feasibility Study Grants provide funding for qualifying costs of project planning studies that evaluate the feasibility of developing a water conservation, reuse, or storage project. A feasibility study is an evaluation of a proposed project or plan and can be used to determine *if* and *how* a project should proceed to the implementation phase. This funding opportunity will cover up to 50% of the total study cost.

Document Description

The following are evaluations summaries for complete grant applications received by the October 17, 2018 deadline for the current Feasibility Study Grant funding cycle. The evaluation summaries include a project summary, feedback from the Application Review Team (ART), and the ART's funding recommendations.

Next Steps

Applications and the ART recommendations will be posted on the Department's website for a 30-day public comment period from March 15, 2019 to April 14, 2019. The Department will present funding recommendations and the comments received to the Water Resources Commission at its meeting tentatively scheduled for June 2019. The funding recommendation will be based on the ART recommendations and public comments received. The Commission will make the final funding decisions.

More Information

Additional information about this funding opportunity is available at the Water Resources Development Program website. If you have questions please contact Grant Program Coordinator, Becky Williams, at 503.986.0869 or WRD_DL_feasibilitystudygrants@oregon.gov.

List of Applications Received

Study Name	Project Type	County	Funding Requested	Total Cost of Study[1]
Enhancing the Reliability of the Alluvial Groundwater Supply in the Walla Walla Basin	Below-ground Storage	Umatilla	$77,715	$155,799
Lundy Ditch Irrigation Efficiency Feasibility Study	Conservation	Deschutes	$43,857	$87,714
Talent Irrigation District Water Conservation Study	Conservation	Jackson	$49,000	$153,000
Tower Ditch Sleeving Feasibility Study	Conservation	Deschutes	$17,180	$35,196
Upper John Day Irrigation Water Conservation Feasibility Study	Conservation	Grant	$151,758	$303,516
Water & Energy Conservation with Variable Speed Drives on the Rogue River	Conservation	Josephine	$43,264	$86,527
White Ditch Sucker Creek Water Conservation Study	Conservation	Josephine	$64,000	$129,400
City of Umatilla Hydraulically Connected Wells	Conservation	Umatilla	$364,000	$728,387
		Total	**$810,773**	$1,679,538

[1]Studies require at least a dollar-for-dollar cost match.

2018 Applications

Enhancing the Reliability of the Alluvial Groundwater Supply in the Walla Walla Basin

Recommended for Funding

Study Information (adapted from application)

Applicant Name: Walla Walla Basin Watershed Council

County: Umatilla

Funding Requested: $77,715

Total Project Cost: $155,799

Study Summary: The purpose of the study is to evaluate the feasibility of three alternative methods to recharge the alluvial aquifer in the Oregon portion of Walla Walla Basin and to compare the three alternatives against recharge methods used for the last 14 years by Walla Walla Basin Watershed Council, landowners, irrigation districts and other cooperators. The three alternatives include: (1) increasing irrigation-induced infiltration to the shallow aquifer by increasing the number of acres to which irrigation water is applied during the winter; (2) increasing natural seepage losses in the Little Walla Walla River by not shutting off all flows to the Little Walla Walla River at the headgate during the winter; and (3) developing larger-scale managed aquifer recharge sites to be located on private properties purchased for the purpose of providing reliable recharge. Technical, political, regulatory, and economic feasibility would be assessed.

Evaluation Summary

The study proposal seemed to build on past studies showing a potential to address continuing concerns and to evaluate three alternatives. The significant number of sources for match funding represents broad community support. The study proposal demonstrated strength in its preparedness by proposing to evaluate alternatives within water rights and adequately addressing the storage-specific requirements. The proposed data collection has the potential to answer important questions for the area. The study could be improved by explaining how the information would be used.

The review team acknowledged that it was a strength of the application to propose working with the OSU Extension Service. The study would be improved by 1) addressing the potential for groundwater quality impacts from application of water that may promote nutrient migration and result in groundwater contamination, and 2) including plans to monitor groundwater for those potential impacts. The study is encouraged to engage the Oregon Department of Environmental Quality regarding questions and concerns related to water quality. The application identified working with the Department on water right and aquifer recharge details. The review team encourages the applicant to follow through on this recommendation to ensure that all regulatory questions are identified and addressed to achieve the study's goals.

The application would be strengthened by discussing the connections between past work and the proposed work, and how the comprehensive results would be used to address the study's goal and water needs. The study could be improved by considering the timing of water withdrawals to limit impacts on fish. A strength of the application is the intention to explore solutions that might help delay or prevent regulating off junior water rights.

Lundy Ditch Irrigation Efficiency Feasibility Study

Recommended for Funding

Study Information (adapted from application)

Applicant Name: Deschutes Soil and Water Conservation District and Arnold Irrigation District

County: Deschutes

Funding Requested: $44,070

Total Project Cost: $189,870

Study Summary: The proposed study would comprehensively examine the feasibility of converting a private open lateral (Lundy Ditch) to pipe. In addition, the study would examine the potential to consolidate other private laterals into the Lundy Ditch and improve on-farm irrigation water efficiency and management. The study would assess the potential water and energy savings, technical feasibility, and estimated costs with the goal of future on-demand pressurized irrigation water. The potential water savings would contribute to the goal of maintaining and sustaining Spotted Frog habitat in the upper Deschutes River system as addressed in the Upper Deschutes Basin Study.

Evaluation Summary

The system experiences significant water loss and if the proposal is deemed feasibile, modernization of the system would likely result in water savings and improved water management. The study proposes to better understand costs associated with piping open ditches, which is a strength of this proposal. The study proposes to actively engage the district patrons in the study progress, information and results, and in understanding the design alternative selection. The application could be improved by discussing the need to assess consolidating lateral piping. The study is recommended as proposed and the following evaluation comment is not a condition of funding, however, the review team commented that the application could be improved by including a hydrologic analysis to determine how much water would be saved to refine the current estimate of water loss. In general, the application could be improved with greater clarity and improved connections between the study description, study goals, identified tasks, and the consistent use of terms.

Talent Irrigation District Water Conservation Study

Recommended for Funding

Study Information (adapted from application)

Applicant Name: Farmers Conservation Alliance

County: Jackson

Funding Requested: $49,000

Total Project Cost: $153,000

Study Summary: The proposed study would analyze the District's existing water delivery infrastructure and evaluate one or more alternatives for modernization. The proposed study would identify and evaluate modernization opportunities that benefit agriculture, the environment, and the community. The result of the study would be a comprehensive plan for improving the District's infrastructure with associated high-level engineering designs, cost estimates, projected water savings, projected hydroelectric power generation and energy conservation potentials, and fish screening and passage opportunities. The technical components would be combined with an engineering cost assessment to develop a comprehensive System Improvement Plan and determine project feasibility by quantifying the effect of piping on water conservation, operations, and maintenance costs.

Evaluation Summary

The study proposal is likely to identify the conservation potential and opportunities resulting in water quality improvements. A strength of the application is the connection and support of the study goal and task details to the Water Management and Conservation Plan and Water System plan. The study fits into a regional effort of irrigation districts working together to address regional water needs.

The application included appropriate technical approaches which created confidence in the likelihood of reaching the study's goal. The application identified qualified personnel indicating strong readiness and preparedness to conduct the proposed study. The review team commented that the proposal was comprehensive and broad in scope.

A strength of the application is the proposal to assess the potential for additional benefits of improvements to energy efficiency, fish passage, and connections to water conservation opportunities. The list of potential permits that may be necessary shows strong planning and technical preparedness. The application could be improved with documented support letters from conservation groups.

Tower Ditch Sleeving Feasibility Study

Recommended for Funding

Study Information (adapted from application)

Applicant Name: Deschutes Soil and Water Conservation District and Swalley Irrigation District

County: Deschutes

Funding Requested: $17,180

Total Project Cost: $35,196

Study Summary: The proposed study would determine the technical feasibility of sleeving (lining) a segment of the Tower Ditch private lateral pipeline with high pressure, high density polyurethane pipe to avoid excavation and costly replacement of infrastructure. In addition, the study would examine estimated costs with the goal of future on-demand pressurized irrigation water that will reduce water usage, and increase on-farm irrigation water efficiency and management. The potential water savings would contribute to the goal of improving aquatic habitat in the upper Deschutes River system as addressed in the Upper Deschutes Basin Study.

Evaluation Summary

The proposal to assess modernization methods on Tower Ditch represents one phase of work to investigate options for infrastructure and water delivery improvement. A strength of the application was a clear goal to assess sleeving of the current pipeline. The application could be improved by providing information on the reasons and causes for the deteriorated pipe condition that would better document the need. A strength of the application was that an explanation was provided for the reasons to pursue this solution versus other potential alternatives. The review team noted that a similar analysis has been previously done and there may be potential benefits from using available information. In general, the application could be improved with clear language and consistently providing background information to support the recommended actions.

Upper John Day Irrigation Water Conservation Feasibility Study

Recommended for Funding

Study Information (adapted from application)

Applicant Name: The Freshwater Trust

County: Grant

Funding Requested: $151,758

Total Project Cost: $303,516

Study Summary: The Upper John Day River basin is home to two icons of Oregon culture: a strong agricultural community and important runs of salmon and steelhead. As climate change progresses in the 21st century, both agricultural producers and native fish will be impacted. This proposed study is intended to identify potential water-saving infrastructure upgrades that will allow agricultural producers to prosper while ensuring adequate instream flows are maintained for the region's federally listed fish species in the face of climate change. Current irrigation methods in the region are based almost entirely on flood irrigation (91% of surveyed fields) via unlined earthen canals and show significant potential for water conservation. The proposed study would develop a prioritized list of potential on-farm irrigation efficiency and conveyance upgrade projects in the Upper John Day River basin. Potential projects would be prioritized based on cost, instream and on-farm benefit, and landowner interest. The highest priority project(s) would have 50% design(s) completed.

Evaluation Summary

Current limiting factors such as low summer streamflows and inefficient, labor intensive irrigation practices indicate that potential improvements, for both irrigators and fish habitat, may be available if the study is deemed feasible. The review team commented that the study proposal was very comprehensive in the broad scope and approach described in the application. A strength of the application was the well-described value to the community and broad suite of benefits if the project is deemed feasible. The study proposal is well detailed, showing comprehensive planning and thoughtfulness in the description of each step and systematic approach. The study proposal clearly supports the goal of evaluating opportunities for water savings potential.

The review team commented that careful attention to outreach process may help promote landowner participation. A concern of the study is that later tasks hinge on the outcomes of landowner interest and participation.

Water & Energy Conservation with Variable Speed Drives on the Rogue River

Recommended for Funding

Study Information (adapted from application)

Applicant Name: Grants Pass Irrigation District

County: Josephine

Funding Requested: $43,264

Total Project Cost: $86,527

Study Summary: In an effort to conserve water, reduce the District's electrical carbon footprint, and ensure the sustainability of the local economic and cultural benefits of irrigation in the Rogue Valley, this proposed study would evaluate the potential replacement of medium voltage electrical systems with more efficient variable speed drive of pumps. The study would assess the water conservation, technical considerations, potential energy savings, as well as short and long-term financial feasibilities of a variable speed drive system. These outcomes would be evaluated within the framework of long-term sustainability for the District and the continuation of our work with agencies to improve in-stream water flows at critical times in the life cycle of protected species.

Evaluation Summary

The study application is well-documented and thoroughly prepared indicating readiness and technical preparedness. Results of the proposed study would determine the potential water and energy savings resulting from reduced pumping of water. The irrigation district provides water to a mix of patrons, which includes school districts, farms, city lots and vineyards, and is dependant of the reliability of the pumping station and conservation of the water resource. If the proposal is deemed feasible, it has the potential to improve future security of water delivery. The proposed tasks clearly support reaching the feasibility study goal. The study could be strengthened with an emphasis on quantifying the amount and benefit of water to be conserved, and by ensuring that the potential for water conservation is a clear outcome of the study findings.

White Ditch Sucker Creek Water Conservation Study

Recommended for Funding

Study Information (adapted from application)

Applicant Name: Illinois Valley Soil and Water Conservation District

County: Josephine

Funding Requested: $64,000

Total Project Cost: $129,400

Study Summary: The proposed study area is the agricultural lands served by the White Ditch, which diverts water from Sucker Creek, a tributary to the Illinois River in the Rogue Basin. The goal of this study is to determine the quantity of water that could be conserved to enhance instream flows in Sucker Creek. To achieve this goal, the project proposes to investigate options for implementing ditch and on-farm improvements to increase instream flow for Endangered Species Act Coho salmon and benefit agricultural producers. The proposed study would seek to clarify water rights, evaluate current infrastructure and system efficiency, assess improvement alternatives, as well as result in preliminary design and construction cost estimates for the preferred alternative.

Evaluation Summary

Assessing water losses, and methods and options for irrigation efficiencies, is critical to determine the opportunities for water conservation and streamflow enhancement. The study proposal indicated strong preliminary preparation by holding a community meeting prior to application submission. The review team commented that the proposal format was very comprehensive and clearly identified all study activities and deliverables demonstrating a well prepared concept. The application clearly identified the need to coordinate with the Department to ensure an accurate understanding of current water rights and landowner information. The application could be improved with additional letters of support from the community indicating support of the concept from involved landowners. Sucker Creek is an important fish habitat area and potential conservation outcomes could benefit fish species if the proposal is deemed feasible.

City of Umatilla Hydraulically Connected Wells

Not Recommended for Funding at this time

Study Information (adapted from application)

Applicant Name: City of Umatilla

County: Umatilla

Funding Requested: $364,000

Total Project Cost: $728,387

Study Summary: The City of Umatilla provides a supply of groundwater which industrial facilities currently use in non-contact cooling tower systems. Because the City's groundwater has a high silica content and salinity, the same water continuously passing through the system results in clogging. Based upon the increased water replacement rate and demand, higher volumes of water are required to avoid fouling the system. The City has identified the possibility of developing a low silica content hydraulically connected well to utilize the City's unused surface water right, but the feasibility of this solution must be determined. The evaluation would include drilling exploratory boreholes, testing and monitoring the water quality to determine hydraulic connection, constructing a single test well, and regulatory coordination regarding the results to determine project feasibility. A goal of the proposal is determining whether water that is lower in mineral content is available and would result in lowering the water demand for the industrial processes.

Evaluation Summary

The goal of water conservation by finding a water source more conducive to additional reuse was met favorably by the review team. The potential improvement of water conservation and reuse represents an economic opportunity for the City.

The City of Umatilla currently has a development limitation on the water right identified for use in the feasibility study and is in need of an updated Water Management Conservation Plan. The study proposal did not identify actions to address the development limitation or the Water Management Conservation Plan and, therefore, the review team did not consider the application to contain all tasks needed to show technical preparedness and readiness of the study to achieve the identified goals. Further, the application would be improved by identifying the need for a permit amendment to address the well location.

The review team commented that the study proposal represented an interesting and innovative concept and looks forward to these concerns being addressed in a future application.

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Public Comments on Funding Recommendations

Feasibility Study Grants

2019 Funding Cycle

Document Description

After the Application Review Team (ART) evaluated each application and made funding recommendations, the Department is required by rule to post a summary of applications for funding and the recommendations for public comment. The ART recommendations were published on the Department's website and distributed on the Water Resources Development Program's listserv for a 30-day written period which took place March 15 through April 14, 2019. The Department received comments from three individuals and organization on three applications. Public comments on the 2019 ART funding recommendations are in the order and page number listed below. The Department carefully reviewed the comments to determine if new information was provided. The Department provides further discussion regarding the public comments in the Staff Report.

Contents

Oregon Environmental Council

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Portland, OR 97209-3900
503.222.1963
OEConline.org | @OEConline

8 April 2019

Becky Williams, Grant Program Director
Oregon Water Resources Department
725 Summer Street NE, Suite A
Salem, OR 97301

Ms Williams,

I am submitting this letter to indicate Oregon Environmental Council's (OEC's) full support for Farmers Conservation Alliance's (FCA's) Feasibility Study Grant application to the Oregon Water Resources Department (OWRD).

As climate change and variations in yearly precipitation patterns continue to affect water availability throughout Oregon, OEC believes it is incumbent on irrigation districts and others to ensure that they are using water in the most efficient and effective manner possible while benefiting agriculture, the environment and the community. Developing and implementing a comprehensive System Improvement Plan will allow the Talent Irrigation District to identify opportunities to save water and improve operational efficiencies. Funding through the Feasibility Study Grants program will support this effort. OEC is familiar with FCA's work in other basins, and we are confident that their partnership with the Talent Irrigation District will yield positive results.

In addition to other benefits derived from improving the district's water delivery system, a significant amount of water will be conserved. OEC expects that a goodly proportion of this conserved water will be returned to the rivers to support in-stream needs. Investing in increasing the district's efficiencies thus becomes an investment in the basin's rivers and streams.

We urge you to fully support the grant request FCA has submitted to OWRD's Feasibility Study Grant program

Sincerely,

Karen Lewotsky, PhD, JD
Rural Partnerships & Water Policy Director
Oregon Environmental Council
222 NW Davis, Suite 309
Portland, OR 97209

April 14, 2019

Rebecca Williams
OWRD Grant Application Denial

Dear Ms. Williams:

These comments are submitted on behalf of the city of Umatilla. As you know, the City of Umatilla's application was the only denied application. While we respect the process and support the Department's prior approval of the City's prior application, we believe the City's current application has merit. We hope that you will consider our comments below regarding the City of Umatilla's application.

The Grant Application Review Committee Evaluation Summary had three bases for denial of the City of Umatilla application, the first two of which are set forth in the first section quoted below and the third is set forth in the second quoted section below:

(1) "The City of Umatilla currently has a development limitation on the water right identified for use in the feasibility study and is in need of an updated Water Conservation Management Plan. The study proposal did not identify the actions to address the development limitation or the Water Management Conservation Plan and, therefore, the review team did not consider the application to contain all tasks needed to show technical preparedness and readiness of the study to achieve the identified goals."

(2) "Further the application would be improved by identifying the need for a permit amendment to address the well location."

Comment/Response to Review Committee's First Two Bases for Denial: The Review Committee's first two bases for denial appear to be contrary to law. First, the Review Committee's evaluation misconstrues the development limitation on the City's Permit S-41444. The Review Committee's evaluation incorrectly indicates that such limitation is independent of and, therefore, *in addition to* the existing requirement that the City submit to, and obtain approval of, an updated WMCP from the Department. A review of the Department's Final Order dated August 24, 2012 specifically states that "[d]iversion of any water under Permit S-41444 shall only be authorized upon issuance of a final order approving a Water Conservation Plan[.]" Hence, the development limitation referred to exists only because the City has yet to secure an updated WMCP. Once the updated WMCP is approved no such development limitation will exist.

In addition, the applicable statute, ORS 541.692, **does** *not* require that an updated WMCP must be acquired prior to submittal of a grant application. Rather, ORS 541.692(1) only requires that "*Before loan or grant moneys are expended* from the Water Supply Development Account for the construction of a project, *the recipient must obtain all applicable local, state and federal*

permits." ORS 541.692(1). Applying such standards here, a WMCP is not a permit and so the argument exists that neither a WMCP or an updated WMCP is required prior to receiving a grant award, much less submitting an application to begin with. In the alternative, even if an updated WMCP could be construed as a permit for purposes of the statute, the fact remains that the WMCP does not have to be secured in advance of being awarded grant money. ORS 541.692 at best only requires that the money not be disbursed until such time that the updated WMCP has been approved.

Conclusion: Since, by statute, a current WMCP is not required for submittal, review and subsequent approval of a Grant application, the City requests that its application be approved as the development limitation referred to by the Review Committee is not a basis for denial as as the application cannot fail for the City's lack of possessing an updated WMCP.

Comment/Response to Review Committee's Third Basis for Denial: The Review Committee's conclusion that "the application would be improved by identifying the need for a permit amendment to address the well location" also does not present a basis for denial as such information was provided in the application. The application calls out the need and purpose of the needed permit amendment no less than three times in the application:

1. See Section V (Feasibility Study Specifics), p. 12., stating as follows:

   "Permit S-41444 will need to be amended to allow vertical wells instead of a Ranney type collector system. Initial Conversation will take place on 10/18/2018 with OWRD regarding Point of Appropriation."

2. See Attachment 5 – List and description of key tasks, pp. 1-2:

   Pages 1 and 2 of this attachment reference the plan to complete due diligence to identify an alternative Point of Appropriation to appropriate surface water under Permit S-41444 via one or more additional wells. It is the Department's position that any addition of a POA to appropriate surface water would require an amendment of Permit S-41444. Such a consequence is expressly set forth at the top of page 2 of Attachment 5, which states that "[t]he development of multiple wells will require a permit amendment to S-41444 since the original permit only authorized one POA via a Ranney Well."

3. See Attachment 5 – Subtask 1.2.4 – OWRD Meeting on Development of City's Surface Water Rights Points of Diversion, p. 3:

   This subtask specifically calls out the future occurrence of a meeting between the Project Manager and Hydrogeologist and OWRD staff to discuss the establishment/confirmation of adequate additional POAs that can develop surface water consistent with the water source obligations under Permit S-41444.

Conclusion: The grant application clearly identified the need for a permit amendment to address the well location. City respectfully submits that the Review Committee did not

understand the Department's position regarding the rules governing the need for a permit amendment when, as here, an additional POA is sought. City requests the Department acknowledge that City did expressly identify the need for the permit amendment.

City respectfully requests reconsideration of its grant application. Thank you for your consideration.

Sincerely,

Tamra Mabbott
Community Development Director

From: Julie Cymore-APWC <julie@apwc.info>
Sent: Friday, March 15, 2019 12:37 PM
To: WRD_DL_feasibility study grants
Subject: Public Comment Opportunity Feasibility Study Grants

Follow Up Flag: Follow up
Flag Status: Completed

Dear Grant Program Coordinator,
The Applegate Partnership & Watershed Council is writing in support of the White Ditch Sucker Creek Water Conservation Study Application by the Illinois Valley Soil and Water Conservation District.

In 2015, while working on the Rogue Basinwide Barrier Assessment Project, I assessed fish passage at the White Ditch Dam Point of Diversion. This dam was the highest and most expansive pushup dam that I have ever assessed for fish passage. This dam is high on the priority list of fish passage projects because of the high severity of passage at the dam and blockage of access to critical high-quality spawning and rearing habitat. Sucker Creek has over 40 miles of high and very high intrinsic potential habitat for ESA-listed coho salmon. Other species impacted by this dam include Chinook, Pacific lamprey, winter steelhead, suckers, and cutthroat trout. The current annual footprint of streambed disturbance by heavy equipment is a significant detriment to stream morphology, water quality, and fish habitat in Sucker Creek. This study would delineate opportunities to improve irrigation infrastructure, conserve water, improve water quality, and diversion improvements would ultimately provide fish passage at the dam site.

Thank you for considering the White Ditch Sucker Creek Water Conservation Study. Feel free to contact me with any questions.
--
Julie Cymore, Fish Passage Program Manager/Hydrologist
Applegate Partnership & Watershed Council
julie@apwc.info
541-890-9765

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Feasibility Study Grants
Outreach to Affected Indian Tribes and Comments Received

Document Description

After the Application Review Team (ART) evaluated each application and made funding recommendations, the Department invited affected Indian Tribes to provide government to government comments on the proposed studies and funding recommendations. The Department contacted tribal representatives and shared information regarding the 2019 Feasibility Study Grant cycle, the proposed studies, the evaluation summaries and the ART funding recommendations. A copy of the correspondence is attached.

The Confederated Tribes of the Umatilla Indian Reservation commented on the study proposal entitled, "Enhancing the Reliability of the Alluvial Groundwater Supply in the Walla Walla Basin". These comments are attached.

Dear Tribal Representative,

The Oregon Water Resources Department offers the Feasibility Study Grant funding opportunity, which provides funding for qualifying costs of project planning studies that evaluate the feasibility of developing a water conservation, reuse, or storage project. A feasibility study is an evaluation of a proposed project or plan and can be used to determine *if* and *how* a project should proceed to the implementation phase. This funding opportunity will cover up to 50% of the total study cost.

During this funding cycle, the Department received eight complete applications requesting $810,773 in grant funding. A multi-agency team reviewed each application and made funding recommendations. The Oregon Water Resources Department is inviting written public comment on applications received for Feasibility Study Grant funding. After reviewing written comments, the Department will make funding recommendations for consideration and approval by the Water Resources Commission. The tentative date for the Commission to make its funding decision is at the June 2019 Commission meeting.

For more information regarding the study proposals, see the Public Comment Opportunity for Feasibility Study Grants which contains the funding recommendations along with links to each application. Additional information may be found in the Evaluation Summaries 2019 document, which includes a summary and feedback from the Application Review Team on the submitted applications.

We respectfully invite you to submit government–to-government comments regarding the proposed studies and funding recommendations. Please note, your participation is optional and not a requirement of this funding opportunity and any comments should be received by May 15, 2019 for comments to be considered in advance of the presentation to the Commission. There will be an additional opportunity to provide verbal comments to the Commission at the June Commission meeting. Please feel free to contact me with any questions regarding this invitation at 503-986-0869.

Sincerely,
Becky Williams

Confederated Tribes *of the* **Umatilla Indian Reservation**

Department of Natural Resources
Water Resources Program

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RE: Comments on 2019 Application "Enhancing the Reliability of the Alluvial Groundwater Supply in the Walla Walla Basin"

Grant Program Coordinator,

The Confederated Tribes of the Umatilla Indian Reservation (CTUIR) Water Resource Program appreciates the opportunity to provide comments on Oregon Water Resource Department's (OWRD) decision to fund the Walla Walla Basin Watershed Council's (Council) "Enhancing the Reliability of the Alluvial Groundwater Supply in the Walla Walla Basin" feasibility study grant application. The CTUIR has expressed significant concerns to the Council, co-managers and funders, regarding the managed aquifer recharge program and is currently working with the Council to resolve those concerns. The following comments identify concerns and opportunities to modify the proposed use of feasibility funding to avoid duplicity with ongoing efforts and to ensure the information gained adequately informs efforts to address CTUIR's concerns.

1. The CTUIR has repeatedly expressed concerns about the reliability of the aquifer recharge program as a fish recovery and flow restoration tool, the inability to manage and regulate aquifer recharge outcomes, and the reliance on limited Walla Walla River surface flows to alleviate the multi-factor alluvial aquifer declines;

2. The application suggests the intent of the proposal is to help determine whether three alternative recharge methods can increase the ***reliability of recharge processes and hydrological benefits;***

3. The CTUIR recommends funding be more focused on improving the reliability of the proposed hydrological benefits and less on ways to maintain and increase the recharge processes that are producing outcomes that currently cannot be managed for the proposed hydrological benefits;

4. No matter how much the recharge process can be enhanced, existing technical, legal and policy gaps such as groundwater withdrawal and quantification of surface water inputs will continue to cause the outcomes to be difficult if not impossible to adequately quantify, protect, and manage outcomes as a component of reliable and sustainable water management;

5. Instead of focusing on the number of additional acres that could receive delivery of surface water for aquifer recharge under Alternative #1, the emphasis should be on how winter irrigation can be used to produce manageable outcomes for one or more of the proposed hydrological benefits;

6. In the absence of action by the Council or others, the CTUIR has initiated work that is very similar to the Council's proposed work in Alternative #2 and would like to collaborate with the Council and the Department to ensure efforts are complementary versus duplicative; and

7. Alternative #3, like #1, should shift its focus to whether the action can improve the reliability of the proposed hydrological benefits.

The Council application's emphasis on enhancing the existing processes that have resulted in outcomes that cannot be managed is inconsistent with current efforts to review and update the Council's strategic action plan and the significant loss of aquifer recharge program funding support in recent years. Efforts to evaluate and improve the reliability of outcomes should inform efforts to improve recharge processes. We support the Department's investment in the managed aquifer recharge program if the funding is focused on addressing the concerns identified above. Thanks for considering our comments and please contact David Haire, davidhaire@ctuir.org or 541.429.7228 with any questions.

Sincerely,

David Haire, Manager
Water Resources Program